

House Bill 74

By: Representatives Powell of the 29<sup>th</sup> and Dodson of the 75<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to  
2 indigent and elderly patients, so as to provide for a fee from certain hospitals; to provide for  
3 definitions; to establish a segregated account within the Indigent Care Trust Fund for the  
4 deposit of such fees; to provide for a method for calculating and collecting the  
5 intergovernmental transfer of disproportionate share funds; to authorize the Department of  
6 Community Health to inspect hospital records for purposes of auditing disproportionate share  
7 allocations; to provide for penalties for failure to make intergovernmental transfers of  
8 disproportionate share funds; to authorize the department to withhold Medicaid payments  
9 equal to amounts owed as the intergovernmental transfer and penalty; to provide for the  
10 collection of fees by civil action and tax liens; to provide for the appropriation of funds in  
11 the segregated account for medical assistance payments to hospitals; to provide for  
12 application of the "Georgia Medical Assistance Act of 1977"; to provide for related matters;  
13 to provide for an effective date; to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15 **SECTION 1.**

16 Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to indigent and  
17 elderly patients, is amended by adding a new Article 6B to read as follows:

18 "ARTICLE 6B

19 31-8-170.

20 This article is passed pursuant to the authority of Article III, Section IX, Paragraph VI(i)  
21 of the Constitution.

22 31-8-171.

23 As used in this article, the term:

(1) 'Department' means the Department of Community Health created by Chapter 5A of this title.

(2) 'Hospital' means a facility required to be licensed or permitted as a hospital under the provisions of Chapter 7 of this title which is not owned or operated by the state or federal government.

(3) 'Hospital that disproportionately serves the medically indigent' means a hospital for which the patient days attributable to medically indigent residents account for more than 15 percent of the hospital's total patient days during a 12 month period. For purposes of this computation, medicare program patient days shall not be included in the hospital's total patient days.

(4) 'Intergovernmental transfer of disproportionate share funds' or 'intergovernmental transfer' means the payment by a public hospital of the portion determined by the department based on the hospital's allocation of disproportionate share funds for that year.

(5) 'Medically indigent' means a person who meets the state-wide standards of indigency adopted by the department.

(6) 'Patient day' means a day of care provided to an individual patient of a hospital by the hospital. A patient day includes the date of admission but does not include the date of discharge, unless the dates of admission and discharge occur on the same day.

(7) 'Public hospital' means a hospital owned by an authority established pursuant to Article 4 of Chapter 7 of this title.

(8) 'Segregated account' means an account for the dedication and deposit of provider fees which is established within the Indigent Care Trust Fund created pursuant to Code Section 31-8-152.

(9) 'State plan' means all documentation submitted by the commissioner of the Department of Community Health on behalf of the department to and for approval by the United States secretary of health and human services, pursuant to Title XIX of the federal Social Security Act.

(10) 'Trust fund' means the Indigent Care Trust Fund created pursuant to Code Section 31-8-152.

31-8-172.

There is established within the trust fund a segregated account for revenues raised through intergovernmental transfers of disproportionate share funds. All revenues raised through such transfers shall be credited to the segregated account within the trust fund and shall be invested in the same manner as authorized for investing other moneys in the state treasury.

Contributions and transfers to the trust fund pursuant to Code Sections 31-8-153 and 31-8-153.1 shall not be deposited into the segregated account.

31-8-173.

(a) Each public hospital shall make an intergovernmental transfer of disproportionate share funds. The transfers shall be made by all public hospitals.

(b) The intergovernmental transfers of disproportionate share funds shall be made quarterly by each public hospital to the department, unless the department determines that less frequent transfers are permissible. Transfers must be made at least as often as annually.

31-8-174.

(a) The department shall collect the intergovernmental transfers imposed pursuant to Code Section 31-8-173. All revenues raised pursuant to this article shall be deposited into the segregated account. Such funds shall be dedicated and used for the sole purpose of obtaining federal financial participation for disproportionate share payments to hospitals that disproportionately serve the medically indigent.

(b) The department shall prepare and distribute a survey form upon which a public hospital shall calculate and report to the department the information necessary for the department to calculate the required amount for the intergovernmental transfer of disproportionate share funds. The department's determination as to the required amount shall be final.

(c) Each hospital shall keep and preserve for a period of three years such books and records as may be necessary to determine the amount for which it is liable under this article. The department shall have the authority to inspect and copy the records of a hospital for purposes of calculating the hospital's disproportionate share allocation. All information obtained by the department pursuant to this article shall be confidential and shall not constitute a public record; provided, however, that information otherwise available to the public by law shall not be deemed confidential by virtue of its being obtained by the department.

(d) When the department has determined the required amount of intergovernmental transfer of disproportionate share funds, the department shall notify each public hospital of the amount of the intergovernmental transfer of disproportionate share funds that is due, and of the time upon which such transfer shall be due.

(e) Any public hospital that fails to make the required intergovernmental transfer of disproportionate share funds pursuant to this article within the time required by the department shall pay, in addition to the amount of the outstanding intergovernmental transfer of disproportionate share funds, a 10 percent penalty for each month or fraction

thereof that the intergovernmental transfer is overdue. If an intergovernmental transfer has not been received by the department by the last day of the month, the department shall withhold an amount equal to the intergovernmental transfer and penalty owed from any medical assistance payment due such public hospital under the Medicaid program or under the State Health Benefit Plans, as established by Part 6 of Article 17 of Chapter 2 of Title 20 and Chapter 18 of Title 45. The intergovernmental transfer and penalty required by this article shall constitute a debt due the state and may be collected by civil action and the filing of tax liens in addition to such methods provided for in this article. Any penalty that accrues pursuant to this subsection shall be credited to the segregated account.

31-8-175.

(a) Notwithstanding any other provision of this chapter, the General Assembly is authorized to appropriate as state funds to the department for use in any fiscal year all revenues dedicated and deposited into the segregated account. Such appropriations shall be made for the sole purpose of obtaining federal financial participation in the provision of support to hospitals that disproportionately serve the medically indigent. Any appropriation from the segregated account for any purpose other than medical assistance payments to hospitals, and the administrative expenses necessary to carry out such payments, shall be void.

(b) Revenues appropriated to the department pursuant to this Code section shall be used to match federal funds that are available for the purpose for which such trust funds have been appropriated.

(c) Appropriations from the segregated account to the department shall not lapse to the general fund at the end of the fiscal year.

31-8-176.

The department shall report annually to the General Assembly on its use of revenues deposited into the segregated account and appropriated to the department pursuant to this article.

31-8-177.

Except where inconsistent with this article, the provisions of Article 7 of Chapter 4 of Title 49, the 'Georgia Medical Assistance Act of 1977,' shall apply to the department in carrying out the purposes of this article."

## SECTION 2.

This Act shall become effective on July 1, 2005.

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- SECTION 3.
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- All laws and parts of laws in conflict with this Act are repealed.